

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市场日报

- *Asia IG space overall tightened 1-2bps this morning. VNKRL 27-29 recovered 0.9-1.0pt. MINAU 31/ACPM 4.85 Perp were 0.7-0.8pt lower. Higher-yielding LGFVs were 0.5-1.0pt higher, led by CQSXGU/QDJZWD/TAIANH.*
- **EHICAR:** Stronger yoy 3Q25 results. EHICAR 26-27 were 0.3pt lower this morning. See below.
- **MINMET:** FV of the new PerpNC3.5 and PerpNC5 to be c4.3% and c4.4%, respectively. See below.

#### ❖ Trading desk comments 交易平台市场观点

Last Friday, we saw better buying on Japanese corps FRNs and Japanese/Middle Eastern/Australian/European banks FRNs. JP 10yr tranches like SMBCAC 35/MUFG 35-36s tightened 4-6bps. SAMTOT 5.5 07/18/29 widened 6bps. Moody's downgraded Hanwha TotalEnergies' senior unsecured rating to Ba1 from Baa3 and the rating on review for further downgrade. AMs continued to buy front-end Japanese and Yankee AT1s and insurance subs. Taiwan lifers CATLIF/FUBON/NSINTW traded 1-2bps tighter amid PB buying. See our comment on Taiwan lifers [last Friday](#). The Macau gaming bonds SJMHOL /MGMCHI/MPEL/SANLTD/STCITY/WYNMAC edged 0.1-0.4pt higher. FOSUNI 26-29 were unchanged to 0.2pt higher. EHICAR 26-27 were 0.2pt lower to 0.1pt higher. See comments below. In Chinese properties, VNKRL 27-29 were 0.3pt lower. The market is waiting for the outcome of the 10 Dec'25 voting regarding Vanke's proposal to extend the RMB2bn 3% bonds by one year. FUTLAN 28/FTLNHD 26-27/LNGFOR 27-32 were 0.3-0.7pt higher. YLLGSP 26 was 0.1pt higher. In SE Asia, RILIN 32-62s rose 0.3-1.1pts after S&P upgraded Reliance Industries' ratings to A- from BBB+ and maintained stable outlook. VEDLN 28-33s increased by 0.1-0.7pt. Moody's changed the outlook of VRL to positive from stable and affirmed B1 rating on improvement in VRL's earnings and cash flow. SMCGP Perps were unchanged to 0.4pt higher. PTTGC Perps edged 0.2-0.4pt higher. PTT Global Chemical raised THB10bn (cUSD313.3mn) in perpetual bond offering. On the other hand, VLLPM dropped by 1.7pts. In LGFV space, Chinese RMs continued to buy quality, higher-yielding papers, whilst there were two-way flows on names down the credit curve among retail investors. KNMIDI 26 lowered 1.4pts.

**Glenn Ko, CFA 高志和**  
 (852) 3657 6235  
 glennko@cmbi.com.hk

**Cyrena Ng, CPA 吳倩瑩**  
 (852) 3900 0801  
 cyrenang@cmbi.com.hk

**Yujing Zhang 张钰婧**  
 (852) 3900 0830  
 zhangyujing@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

| Top Performers        | Price | Change | Top Underperformers    | Price | Change |
|-----------------------|-------|--------|------------------------|-------|--------|
| RILIN 3 3/4 01/12/62  | 72.7  | 1.1    | VLLPM 9 3/8 07/29/29   | 54.6  | -1.7   |
| RILIN 4 7/8 02/10/45  | 94.0  | 1.1    | CFAMCI 4.95 11/07/47   | 90.6  | -1.7   |
| CHINAM Float 07/10/27 | 101.0 | 1.0    | KNMIDI 8 1/2 08/20/26  | 98.1  | -1.4   |
| RILIN 3 5/8 01/12/52  | 74.1  | 1.0    | PMBROV 11 1/2 02/18/30 | 98.1  | -0.9   |
| BIMLVN 7 3/8 05/07/26 | 93.1  | 0.8    | CCAMCL 4 3/4 12/04/37  | 93.5  | -0.8   |

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (+0.19%), Dow (+0.22%) and Nasdaq (+0.31%) were higher on last Friday. US Sep'25 Core PCE Price Index was +2.8% yoy, lower than the market expectation of 2.9%. UST yield was higher on last Friday. 2/5/10/30 year yield was at 3.56%/3.72%/4.14%/4.79%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ EHICAR: Stronger yoy 3Q25 results

In 3Q25, EHICAR's EBITDA increased 7.2% yoy to RMB836.8mn. The LTM EBITDA increased 24% yoy to RMB2.5bn. Higher utilization rate more than offset lower ADRR, reflecting the continued recovery in demand despite intense competition. We are impressed with the trend of higher utilization rate despite EHICAR's fleet size increased 11% in 9M25 to 139,592. In 3Q25, the utilization rate was 72.3%, the highest since 1Q23 while RevPAC was RMB157.5, the highest since 3Q23. 3Q is the seasonal high of the year and we expect utilization rate and RevPAC in 4Q25 to moderate from the levels of 3Q25. That said, EHICAR saw stronger yoy operating performance in 4Q25.

As of Sep'25, EHICAR's net debts were RMB9.6bn, declined from RMB9.8bn as of Jun'25 and RMB10.4bn as of Sep'24. Net debts/LTM EBITDA and LTM EBITDA/LTM int. slightly improved to 3.9x and 3.1x in 3Q25 from 4.0x and 2.9x in 2Q25 and 5.2x and 2.6x in 3Q24, respectively. We expect EHICAR's net debt reduction to remain gradual given its expectation of small increase in fleet size in 2026.

At 80.2 and 66.8, EHICAR 7 09/21/26 and EHICAR 12 09/26/27 are trading at YTM of 38.7% and 39.4%, respectively. We consider the current valuations have priced in too much downside for a non-distressed credit with a slowly improving credit profile despite EHICAR has yet to come out with a concrete refinancing plan for EHICAR 7 09/21/26 (o/s USD267mn as per 1H25 interim report) due Sep'26. We expect to EHICAR to buy back the bonds and tap the USD bond market in an opportunistic manner taking cues from its track records.

**Table 1: Bond profile of EHICAR**

| Security name      | ISIN         | Amt o/s (USD mn) | Maturity  | Coupon | Offer price | YTM   |
|--------------------|--------------|------------------|-----------|--------|-------------|-------|
| EHICAR 7 09/21/26  | XS2384059122 | 269.03           | 9/21/2026 | 7.00%  | 80.2        | 38.7% |
| EHICAR 12 09/26/27 | XS2782510049 | 325              | 9/26/2027 | 12.00% | 66.8        | 39.4% |

Source: Bloomberg.

## ➤ MINMET: FV of the new PerpNC3.5 and PerpNC5 to be c4.3% and c4.4% , respectively

China Minmetals Corp (MINMET) proposes to issue USD PerpNC3.5 and PerpNC5, both rated at Baa2 by Moody's. We view the FV of the PerpNC3.5 to be c4.3% vs IPT at 4.8%, while FV of the PerpNC5 to be c4.4% vs IPT at 4.9%, taking cues from its peers and adjusted for tenor and rating differentials.

Table 2: MINMET and peers

| Security name       | ISIN         | Amt o/s<br>(USD mn) | Px    | YTM/YTC | Mod dur | Issue rating<br>(M/S/F) | First call date |
|---------------------|--------------|---------------------|-------|---------|---------|-------------------------|-----------------|
| MINMET 4.2 07/27/26 | XS1450332256 | 700                 | 99.9  | 4.4%    | 0.6     | Baa1/-/BBB+             | -               |
| SPICPE 4.795 Perp   | XS3096301653 | 1000                | 100.9 | 4.4%    | 2.3     | A3/-/-                  | 27 May'28       |
| HUANEN 4.15 Perp    | XS3225833972 | 1000                | 100.1 | 4.1%    | 2.8     | A3/-/-                  | 3 Dec'28        |
| CHPWCN 4.65 Perp    | XS2915938448 | 300                 | 100.8 | 4.4%    | 3.3     | -/-/BBB-                | 21 Jul'29       |
| GEZHOU 4.25 Perp    | XS3137681394 | 100                 | 99.8  | 4.3%    | 4.1     | -/-/BBB-                | 27 Jul'30       |

Source: Bloomberg.

The two perps will be issued by MINMET's offshore subsidiary and guaranteed by MINMET. The proceeds will be used for working capital and general corporate purposes, including debt refinancing. The coupon of the PerpNC3.5 will be reset to 3yrUST+initial spread+step-up of 300bps at the end of 3.5 years, and reset every 3 years thereafter. The coupon of the PerpNC5 will be reset to 5yrUST+initial spread+step-up of 300bps at the end of 5 years, and reset every 5 years thereafter. The coupon of the two perps could be deferred at issuer's discretion, cumulative and compounding, unless the occurrence of compulsory distribution payment event. The two perps carry dividend stopper clause.

MINMET is wholly-owned by the Chinese government, through 94.1% ownership by central SASAC and 5.9% held by National Council for Social Security. It is one of the largest metal and mining conglomerate in the mainland China with 41 mines across the globe. MINMET had nine listed subsidiaries span across metal and minerals, metallurgical construction, trade and logistic, finance and real estate sectors. In FY24, MINMET generated revenue of RMB833bn, of which 48.4% was from metallurgical construction, 22.1% from trade and logistics, 13.7% from metals and minerals, 11.7% from technology industry, and remaining 4.1% from real estate and financial services. Gross profit was RMB87bn and EBITDA was RMB55bn in FY24. As of Dec'24, MINMET had total assets of RMB1.3tn and cash and cash equivalent of RMB143bn.

#### ➤ Offshore Asia New Issues (Priced)

| Issuer/Guarantor                         | Size<br>(USD mn) | Tenor | Coupon | Priced | Issue Rating<br>(M/S/F) |
|--|------------------|-------|--------|--------|-------------------------|
| No Offshore Asia New Issues Priced Today |                  |       |        |        |                         |

#### ➤ Offshore Asia New Issues (Pipeline)

| Issuer/Guarantor     | Size<br>(USD mn) | Tenor | Coupon                | Priced        | Issue Rating<br>(M/S/F) |
|----------------------|------------------|-------|-----------------------|---------------|-------------------------|
| China Minmetals Corp | USD              | -     | PerpNC3.5/<br>PerpNC5 | 4.8%/<br>4.9% | Baa2/-/-                |

#### ➤ News and market color

- Regarding onshore primary issuances, there were 78 credit bonds issued on last Friday with an amount of RMB87bn. As for Month-to-date, 447 credit bonds were issued with a total amount of RMB435bn raised, representing a 30.9% yoy increase
- [BIOLIN]** Biocon to buy out Biocon Biologics minority shareholders at USD5.5bn valuation

- **[MINAU]** Mineral Resources targets the first iron ore production from its Lamb Creek project in 4Q26, as it commenced construction following receipt of all regulatory approvals
- **[PERTIJ]** Pertamina suspended the operations at three oil and gas production facilities on Sumatra Island due to massive floods and landslides
- **[SNBAB]** Saudi National Bank received a non-binding offer for its entire 84.5% stake in Samba Bank Pakistan
- **[SOFTBK]** SoftBank is in discussions to acquire data center-focused DigitalBridge Group to bolster AI portfolio
- **[VNRKLE]** Vanke proposes to extend the maturity of 22VANKEMTN004 of RMB2bn by 12 months to 15 Dec'26 from 15 Dec'25 with coupon unchanged at 3%; seeks consent to delay the payment of 22VANKEMTN005 of RMB3.7bn 3% bond due 28 Dec'25
- **[XIAOMI]** Fitch upgraded Xiaomi by one notch to BBB+ from BBB with stable outlook, attributed to Xiaomi's improved EBITDA generation, particularly from its IoT and internet service segments, and enhanced profitability in the EV sector
- **[YLLGSP]** Yanlord repurchased USD31mn YLLGSP 5 1/8 05/20/26, the outstanding amount reduced to USD281.94mn

*Fixed Income Department*

*Tel: 852 3657 6235/ 852 3900 0801*

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

#### **Author Certification**

**CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.**

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

#### **Important Disclosures**

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM. Additional information on recommended securities is available upon request.

**Disclaimer:**

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.") of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.